



***United States Attorney
Southern District of New York***

FOR IMMEDIATE RELEASE
MARCH 1, 2005

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**U.S. CHARGES EX-CORPORATE COMMUNICATIONS DIRECTOR
AT GERBER SCIENTIFIC WITH INSIDER TRADING**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and PASQUALE D'AMURO, the Assistant Director in Charge of the New York Field Office of the FBI, announced today that ROBERT GOEHRING, formerly the director of corporate communications at Gerber Scientific, Inc., was indicted on insider trading charges in connection with his trading in Gerber stock from which he obtained almost \$50,000 in illegal profits and avoided losses of over \$50,000.

The five-count Indictment unsealed yesterday in Manhattan federal court charges that from late February 2000 through April 2000, GOEHRING, in breach of fiduciary duties that he owed to Gerber, purchased and sold Gerber common stock and sold Gerber stock short while in possession of material, non-public information concerning Gerber.

The Indictment charges that as Gerber's director of corporate communications, GOEHRING, at the direction of Gerber's president and chief executive officer, was responsible for, among other things, drafting Gerber's press releases concerning

business developments at Gerber and Gerber's financial performance. As a result of his duties and responsibilities, GOEHRING had access to confidential, material, non-public information concerning Gerber's business.

The Indictment alleges that in or about February 2000, GOEHRING, as a direct result of his employment with Gerber, learned that Gerber intended to announce that it expected to form a new venture in the online apparel industry with an Internet company engaged in e-commerce. The Indictment alleges that Gerber's management, including GOEHRING, anticipated that this public announcement would be viewed positively by the market and would likely increase the price of Gerber's stock.

The Indictment charges that from about February 23, 2000, through about March 3, 2000, GOEHRING, while in possession of this material, non-public information concerning Gerber's impending announcement concerning its venture in the online apparel industry, purchased, in transactions conducted on the New York Stock Exchange ("NYSE"), a total of approximately 6,000 shares of Gerber common stock at prices ranging from approximately \$15.00 per share to \$19.1875 per share.

On or about the morning of March 7, 2000, Gerber publicly announced in a press release on which GOEHRING was listed as Gerber's contact person, among other things, that it intended to form an online apparel venture with an Internet company. Following this announcement, Gerber's common stock

closed on March 7, 2000, at approximately \$17.4375 per share, up from the previous trading day's closing price of approximately \$16.50 per share.

The Indictment further charges that the following month, on April 26, 2000, Gerber publicly announced certain negative information about its affairs and operations. Specifically, Gerber announced, among other things, that: (1) Gerber's actual earnings per share for the fourth quarter of 2000 were only \$ 0.36; and (2) Gerber would be required to write-down the value of its inventory by approximately \$6 million. Following these announcements, Gerber's stock price dropped to \$11.50 per share, at the close of trading on April 26, 2000, from the previous day's closing price of \$15.4375.

According to the Indictment, as a result of his duties as a Gerber employee and prior to March 23, 2000, GOEHRING learned material and confidential information about the lowered earnings expectations and the problems which ultimately led to the inventory write-down before that information was released to the public.

The Indictment charges that on about March 23, 2000, after GOEHRING learned that Gerber's earnings for the fourth quarter of fiscal year 2000 were lower than had been forecast, GOEHRING sold 6,000 shares of Gerber common stock at

approximately \$20.5625 per share, in transactions conducted on the NYSE. As a result of the sale of these shares, GOEHRING obtained unlawful profits of approximately \$23,243, and unlawfully avoiding losses of approximately \$54,375 which he would have incurred if he had held those shares until after the public announcement on April 26, 2000.

According to the Indictment, on about April 12, 2000, after learning of the lowered earnings per share, and after learning of facts which lead to the \$6 million write-down of Gerber's inventory, GOEHRING, in transactions conducted on the NYSE, sold short 3,000 shares of Gerber stock at \$18.18 per share. On about April 26, 2000, after Gerber's lowered earnings and inventory write-down were publicly disclosed, GOEHRING purchased 3,000 shares of Gerber common stock at \$11.625 per share to cover his short position. As a result, GOEHRING obtained illegal profits of approximately \$19,665 from his short sale.

GOEHRING, 63, is from Glastonbury, Connecticut. He is expected be presented in court later this week.

If convicted, GOEHRING faces a maximum sentence of 10 years in prison and a \$1 million fine or twice the gross gain or loss resulting from the crime on each of the five insider trading counts.

The United States Securities and Exchange Commission ("SEC") announced separately the filing of a civil action against GOEHRING in connection with the scheme.

Mr. KELLEY praised the investigative efforts of Federal Bureau of Investigation, and thanked the SEC for its assistance.

Assistant United States Attorney JASON SABOT is in charge of this prosecution.

The charges contained in the Indictment are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

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